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ANGUILLA

Working paper prepared by the Secretariat

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ANGUILLA 1/

I. GENERAL

1. Anguilla lies 240 kilometres east of Puerto Rico, 113 kilometres north-west of Saint Kitts and Nevis and 8 kilometres north of St. Maarten/Saint-Martin. The Territory has a total land mass of 96 square kilometres and includes several offshore islets. The main island has a maximum length of 26 kilometres and a maximum width of 5 kilometres. There is no dominant urban area in Anguilla, although certain areas are more densely settled than others. The government headquarters and the main settlement area are located in The Valley.

2. The climate is tropical, with a mean monthly temperature of about 25 degrees centigrade and a mean monthly relative humidity of over 70 per cent. Because of Anguilla's topography, rainfall is low and erratic. The islands lie in the hurricane zone and a hurricane watch is observed between July and October.

3. The population of Anguilla in mid-1993, according to the latest official estimate, was 9,000. 2/ There is a small number of expatriate residents, mainly from the United Kingdom of Great Britain and Northern Ireland, Canada and the United States of America. According to the administering Power, several thousand Anguillans and their families live and work outside Anguilla, mainly on adjacent Caribbean islands (St. Maarten/Saint-Martin, Saint Kitts and Nevis, Antigua and Barbuda, the United States Virgin Islands and Puerto Rico) and in the United Kingdom and the United States.

II. CONSTITUTIONAL AND POLITICAL DEVELOPMENTS

A. Constitution

4. An outline of the Anguilla (Constitution) Order, 1982, is given in the report of the United Nations Visiting Mission to Anguilla, 1984 (A/AC.109/799, paras. 19-27) and the previous working paper on the Territory prepared by the Secretariat (A/AC.109/1181, paras. 5 and 6). A detailed account of the main points and questions raised in the report of the Constitution Review Committee appointed by the Governor is contained in the 1989 working paper on Anguilla (see A/AC.109/975, paras. 15 and 16; see also A/AC.109/975/Add.1, annex).

B. Political parties and elections

5. As previously reported, general elections are held in the Territory every five years. The last general elections took place in March 1994 with participation of 75.2 per cent of the eligible voters. 3/ Three major political parties in the Territory, the Anguilla National Alliance (ANA), the Anguilla Democratic Party (ADP) and the Anguilla United Party (AUP), won two seats each of the seven seats contested in the House of Assembly. The remaining seat was won by an independent candidate. The AUP leader, Mr. Hubert Hughes,

was elected Chief Minister of Anguilla. He also holds the post of Minister of Tourism.

C. Civil service

6. Information on the composition of the Anguillan public service is contained in the previous working paper prepared by the Secretariat (A/AC.109/1181, para. 13).

7. According to National Accounts Statistics, 1993 of Anguilla, the central government expenditure constituted 18.9 per cent of Anguilla's gross domestic product (GDP), with personal emoluments, pensions and gratuities of civil servants being the largest component (approximately 13 per cent of GDP). 4/

III. ECONOMIC CONDITIONS

A. General

8. Anguilla's development objectives remain the raising of the standard of living of Anguillans through the development of the Territory's productive potential and the provision of a wide range of employment opportunities. Tourism is the major vehicle of growth, although the Government recognizes the importance of some level of economic diversification for balanced sectoral growth. The development strategy also envisages joint ventures between the public and private sectors, thereby creating an atmosphere that would attract both local and foreign investment.

9. In 1993, the economy of Anguilla continued expanding with a growth rate of over 7 per cent for the second consecutive year. Economic development during 1993 continued to be characterized also by a moderate rate of inflation, low unemployment and a stable monetary and fiscal situation. The GDP in constant prices increased by 7.69 per cent to EC$ 139.39 million 5/ compared with EC$ 129.43 million recorded for 1992. 6/

10. Among the external factors which have contributed to the recovery of the economy in 1993 were the favourable developments in the economy of the United States during the year, and a continuing interest in Anguilla as an off-season tourist destination. The internal factors which contributed to the significant improvement in the overall economic situation in the Territory were an upsurge in consumer spending, the intensification of marketing and promotional activities as well as efforts to improve the standard and range of services offered to tourists. 7/

B. Public finance

11. Prudent fiscal management coupled with a continued growth in aggregate output produced a recurrent surplus in 1993. The surplus estimated at EC$ 2.20 million, however, was lower than the EC$ 3.44 million recorded for 1992

as the rate of growth in revenue was outpaced by the growth in current expenditure.

12. Recurrent revenue increased by 5.3 per cent to EC$ 30.74 million in 1993 compared with EC$ 29.20 million in 1992. The growth in recurrent revenue was attributable to a substantial growth in tourist arrivals and intensified tax collection efforts by the Government (i.e., accommodation and embarkation taxes, which increased by 28.2 and 16.7 per cent, respectively).

13. Recurrent expenditure rose by 10.76 per cent from EC$ 25.77 million in 1992 to EC$ 28.53 million in 1993, primarily due to an 8.1 per cent increase in personal emoluments and a 16.8 per cent growth in expenditure on miscellaneous goods and services. After demonstrating a significant growth in 1992, the overall Government's capital expenditure decreased to EC$ 9.11 million in 1993 from EC$ 9.26 million in 1992. The completion of two projects (road improvement and the new post office), valued at EC$ 8.5 million, and austerity measures contributed to this decline. 8/

C. Agriculture, livestock and fisheries

14. Agricultural activity in Anguilla is extremely limited by a combination of factors, including poor soil, a small amount of arable land and irregular rainfall. The policy of the Government, however, is to increase to the greatest extent possible the degree of self-sufficiency in agricultural production.

15. Notwithstanding the prevailing dry conditions and the unpredictable rainfall patterns existing in Anguilla, agriculture continues to play an important part in the livelihood of the local people. In addition to farming, several Anguillans are engaged in livestock and poultry production, as well as fishing.

16. Agricultural output appeared to have stabilized in 1993 after a sharp downturn in 1991 and a subsequent recovery in 1992. Efforts have been directed towards a more extensive use of the drip irrigation and new cultivation methods. Hydroponic farming, especially "low-tech" cultivation, offers the most promising prospects in Anguilla. In 1993, the United States Agency for International Development provided funding for the Fruit Tree Orchard project with a plan for the long-term development of fruit and citrus production on the island.

17. Livestock production increased during 1993 with the introduction of new livestock farming practices, including rabbit production.

18. In the fisheries sector, two major projects, the Island Harbour Jetty and the Fisheries Development project, completed in 1994, should improve the current level of fish production. The first is aimed at enhancing shore facilities while the latter endeavours to modernize fishing techniques and to extend the fishing range. 7/

D. Industrial development

19. The manufacturing sector is still in its infancy and continues to be medium- and small-scale and confined to a narrow range of activities, such as the production of salt, the construction of wooden boats and other traditional operations.

20. The territorial Government reports that mining and quarrying declined in 1993 by 15.18 per cent, because of a downturn in construction activity and due to protective measures by the Government to control sand mining in coastal areas. 7/

E. Transport, communications and other basic facilities

21. The Territory is served by a network of nearly 100 kilometres of all-purpose roads, two major seaports and an airport. In recent years, several major capital improvement projects were completed and others were reported in progress.

22. As previously reported, the Caribbean Development Bank (CDB) approved a loan of US$ 1.71 million in 1993 to the Government of Anguilla to assist in financing a number of projects aimed at improving and expanding the economic infrastructure vital to Anguilla's development (see A/AC.109/1181, paras. 34 and 35).

23. The electricity and water sector expanded by 34.38 per cent accruing a value of EC$ 3.87 million, contributing in 1993 2.78 per cent to the Territory's GDP against 2.23 per cent in 1992. The substantial growth in this sector may be attributed to continuing expansion in power generation because of increased domestic demand. 9/

F. Property and real estate development

24. After recording a strong growth of 16.35 per cent during 1992, construction activity experienced a downturn of 14.95 per cent in 1993. The decline followed the completion in 1993 of major hotel development projects by the private sector and the completion of a road improvement project. The construction sector remained the second largest contributor to employment and GDP, accounting for 12.9 per cent of the Territory's total output in 1993. 7/

G. Banking and insurance

25. Following a decline of 8.11 per cent in 1992, the banking and insurance sector recovered significantly in 1993 and registered a 17.15 per cent growth. The value of this sector increased from EC$ 12.13 million in 1992 to EC$ 14.21 million in 1993, accounting for 10.19 per cent of Anguilla's total output. 8/

H. Environment

26. The United Nations Development Programme (UNDP) has sponsored a project in Anguilla entitled "Management of Natural Resources and the Environment". A summary of the project is contained in the previous working paper prepared by the Secretariat (A/AC.109/1181, paras. 40-43).

27. In June 1994, a Civil/Environmental Engineer from Trinidad and Tobago conducted a two-day Environmental Impact Assessment (EIA) seminar in Anguilla, jointly sponsored by the Caribbean Development Bank (CDB) and the Anguilla Development Board (ADB). Under the auspices of UNDP, the Government of Anguilla is planning to draft new legislation requiring EIAs from developers for specific projects. 10/

I. International business

28. As previously reported, economic consultants from the administering Power pointed out in study entitled "Strategic Economic Review" carried out on behalf of the Government of Anguilla in 1993, that the development of Anguilla as an offshore centre offered the best chance of diversifying its economic base, of providing new employment opportunities, of raising incomes for Anguillans and of increasing Government revenues (see A/AC.109/1181, paras. 44-47).

29. Anguilla was prominently featured at the Caribbean Conference on Offshore Financial Services held at San Juan, Puerto Rico, in May 1994. The Government of Anguilla and the Anguilla Financial Services Association (AFSA), a private entity, presented at the Conference their new package of financial services legislation especially designed in accordance with the "Offshore Finance Action Plan" formulated by the Government of Anguilla and that of the administering Power. The series of legislative acts embracing all aspects of offshore financial services is expected to position Anguilla as an offshore centre free of tax and exchange controls on a par with other British dependent Territories (Bermuda, the Cayman Islands and the British Virgin Islands). 11/

30. Apart from the offshore legislation package, other major elements of the proposed Action Plan include company registration and an incentive programme for offshore professionals. By early 1995, Anguilla is expected to establish the most technologically advanced companies registry in the Caribbean. The Registry is currently being fully computerized with the assistance of British private interests. The project is intended to offer round-the-clock on-line incorporation and filing facilities through registered agents licensed under Anguilla's Company Managers Act and their approved agents worldwide.

31. As part of the Anguilla Government's Country Policy Plan prepared with the assistance of the administering Power (see para. 38) in the context of an overall aid package of £10.5 million over three years, the Ministry of Finance is considering special incentives for financial services executives, such as multi-year work permits, residency arrangements and other concessions to encourage offshore business to move to and invest substantially in Anguilla.

32. The Government of Anguilla has recently established the Offshore Finance Promotion Agency aimed at coordinating the international marketing of the Registry's facilities, incentives to professionals and the investment programme. 12/

J. Tourism

33. After four years of virtual stagnation between 1988 and 1992, visitor arrivals totalled 111,350 in 1933 compared with 93,180 in 1992. Tourist arrivals to Anguilla increased by 17.4 per cent from 32,076 in 1992 to 37,658 in 1993. The summer months of 1993 showed improvement in tourist activity following sluggish performance in the summer of 1992. There was a significant increase in the number of day visitors in 1993 with a total of 73,692 arriving on the island, as compared with 61,104 the previous year. This represented an increase of 20.6 per cent.

34. Visitor expenditure rose from US$ 35.2 million in 1992 to US$ 43.3 million in 1993. This may be attributed primarily to the increase in the number of tourists and to the expansion of the facilities and services offered to them.

35. As in previous years, visitors from the United States continued to dominate the tourist market with 25,210 or 67 per cent of all tourist arrivals. Arrivals from the Caribbean region constituted the second largest share of the market in 1993, accounting for 22 per cent, while those from the United Kingdom and Canada accounted for 6 per cent. 13/

36. As previously noted, with the completion of two hotels during 1993, the total accommodation capacity of the tourist industry in the island increased by 6 per cent to 978 rooms from 920 in 1992. 14/

37. In 1993, the Legislative Assembly of Anguilla passed the legislation establishing the Anguilla Tourist Board. The Board, under the control of the Minister of Tourism (a post concurrently held by the Chief Minister) and the Executive Council of Anguilla, administers all aspects of island's tourism. The Board has eight subcommittees dealing with various aspects of tourism. Its goal, as stated by its Chairman, is to increase the rate of hotel occupancy in the industry and, in this regard, to concentrate on the small inns and guest-houses. 15/

K. Country Policy Plan

38. In August 1993, Anguilla signed with the United Kingdom a Country Policy Plan covering the period from 1993 to 1997. The Plan is the first to be drawn by the administering Power and a Caribbean dependent Territory. It outlines the commitment of both the Government of Anguilla and the United Kingdom to a new and closer policy of dialogue and partnership. A summary of the Plan is contained in the previous working paper on Anguilla prepared by the Secretariat (A/AC.109/1181, paras. 67-74).

IV. SOCIAL CONDITIONS

A. Labour

39. A summary of the development objectives of the Government and of labour relations in the island is contained in the previous working papers on Anguilla prepared by the Secretariat (A/AC.109/1026, para. 73; A/AC.109/1181, paras. 76 and 77).

B. Public health

40. A summary of the public health developments in Anguilla appears in the 1994 working paper on the Territory prepared by the Secretariat (A/AC.109/1181, paras. 78 and 79).

C. Crime and crime prevention

41. Press reports indicate that drug use in Anguilla is currently limited to soft drugs such as marijuana. However, there is evidence that harder drugs, including cocaine, are being introduced into the Territory.

42. The growing threat of drug-trafficking and money-laundering schemes involving offshore business facilities in the island was exposed in an operation conducted by the drug enforcement agencies of the United Kingdom and the United States. It was reported that an offshore bank had been established in Anguilla in 1993 to monitor drug-trafficking and money-laundering activities. The joint operation led to the arrest of more than 100 persons in the United States, Spain and Italy, and the seizure of assets reported to be worth US$ 50 million, in addition to nine tonnes of cocaine and an illegal shipment of arms. 16/

D. Disaster preparedness and prevention

43. According to a statement by the Governor of Anguilla before the Anguilla House of Assembly in 1993, the Government had taken steps to improve contingency planning for action in the event of a disaster with assistance provided by the administering Power. It also took steps to establish at the Wallblake Airport an Emergency Operations Centre, replicating a similar facility in the British Virgin Islands. 17/

V. PUBLIC EDUCATION

44. Education is compulsory for all children between 5 and 14 years of age, and is free at the primary and secondary levels. According to the latest information available, in November 1992 there were 2,404 children of school age in the Territory.

45. The Government plans infrastructural improvements to the primary schools, including improvements to the grounds, playing-fields and general facilities.

In addition, the In-Service Teacher Training Programme initiated in 1991 continued with the official endorsement of the University of the West Indies' Academic Committee. In commenting on the progress of the Programme in 1993, visiting University officials noted that the teacher training model in Anguilla could serve as a model for other small States members of the Organization of Eastern Caribbean States (OECS). 18/

VI. PARTICIPATION IN INTERNATIONAL ORGANIZATIONS/ ARRANGEMENTS

46. An overview of the development assistance to the Territory provided by the organizations of the United Nations system, mainly by the United Nations Development Programme (UNDP), is contained in the previous working paper on Anguilla prepared by the Secretariat (A/AC.109/1181, paras. 58-65). (See also paras. 26 and 27 above.)

47. The Government of Anguilla cooperates directly with other Caribbean Governments and participates in regional conferences and projects organized by Governments and regional and international organizations and agencies (see also A/AC.109/1181, paras. 58-66). The Territory is a member of the Caribbean Development Bank (CDB), the University of the West Indies and the Eastern Caribbean Central Bank, and holds observer status in OECS.

48. The Territory is represented at the annual meetings of the Caribbean Group for Cooperation in Economic Development, sponsored by the World Bank.

VII. FUTURE STATUS OF THE TERRITORY

Position of the administering Power

49. The position of the administering Power towards its dependent Territories, including Anguilla, is summarized in previous working papers prepared by the Secretariat (A/AC.109/1137, para. 17; A/AC.109/1180, paras. 30-36).

Consideration by the General Assembly

50. In a statement to the Special Political and Decolonization Committee (Fourth Committee) of the General Assembly on 12 October 1994, 19/ the representative of the United Kingdom stated his Government's position towards its dependent Territories (see also A/AC.109/2013, para. 62).

51. On 9 December 1994, the General Assembly adopted resolution 49/46 B, a consolidated resolution on nine Non-Self-Governing Territories, section II of which was specifically devoted to Anguilla.

Notes

1/ The information contained in this paper has been derived from published reports and from information transmitted to the Secretary-General by the Government of the United Kingdom of Great Britain and Northern Ireland under Article 73 e of the Charter of the United Nations on 19 August 1994. The facts and figures presented in the working paper are the latest information available.

2/ United Nations, Population and Vital Statistics Report, Statistical Papers, Series A, vol. XLVI, No. 3 (ST/ESA/STAT/SER.A/190). Data available as of 1 July 1994. New York: Department for Economic and Social Information and Policy Analysis, Statistical Division, 1994, p. 6.

3/ Reuters, 17 March 1994.

4/ Government of Anguilla, National Accounts Statistics, 1993, p. 17, table 17.

5/ The currency of the Territory is the East Caribbean dollar (EC$). One United States dollar (US$ 1.00) is equivalent to EC$ 2.70.

6/ Ibid., p. II.

7/ Ibid., p. III.

8/ Ibid., p. IV.

9/ Ibid., pp. III and IV.

10/ Anguilla Life, vol. VII, No. 2, Summer/Fall, 1994, p. 13.

11/ Ibid., No. 3, Winter 1994, p. 15.

12/ Ibid., p. 16.

13/ Government of Anguilla, Statistical Review of Tourism, 1993, Statistical Unit, Ministry of Finance, February 1994, p. i.

14/ Government of Anguilla, National Accounts Statistics, 1993, Statistical Unit, Ministry of Finance, May 1994, p. II.

15/ Anguilla Life, vol. VII, No. 3, Winter 1994, p. 41.

16/ Caribbean Insight, vol. 18, No. 1, January 1995, p. 4.

17/ Address by His Excellency the Governor to the Fourth Session of the Fifth Anguilla House of Assembly on 30 July 1993 (typewritten copy provided to the Secretariat by the Government of Anguilla), p. 7.

18/ Idem, p. 13.

19/ A/C.4/49/SR.5, para. 28.